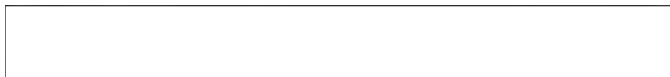




CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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27 JULY 1966

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DAILY BRIEF
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1. Congo

The situation is deteriorating.

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President Mobutu, meanwhile, has either been unable to control his army or is deliberately acting against the mercenaries. He earlier had told US officials that he did not blame the mercenaries for the events in Kisangani; now, however, some of the mercenaries in remote areas have been imprisoned by government troops.

The Congolese Army is not capable of operating effectively against a combined mercenary-Katangese force in the Kisangani area. Loss of control there could create a situation favorable for a coup attempt or for a secessionist move.

2. Soviet Union

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3. Cambodia

Sihanouk insists that the Vietnamese Communists must formally accept his version of Cambodia's border with South Vietnam if he is to recognize the Viet Cong as "representative of the South Vietnamese people and nation." In a speech last week, Sihanouk said he is willing to exchange ambassadors with Hanoi and accept a Viet Cong "diplomat" in Phnom Penh if the Communists accept his border ideas.

Without the border agreement, however, "the affair will be terminated," he declared. He expressed some doubt that the Viet Cong will be willing to sign on his terms. There has been no hint from Hanoi or the Viet Cong as to their attitude.

Sihanouk's recent comments suggest that he is coming to have serious doubts of an early Communist victory in South Vietnam. He still thinks, however, that they will ultimately prevail and probably thinks that a border agreement now would establish "juridical" grounds for warding off future Communist pressure against Cambodia.

4. South Vietnam

The Communist psychological apparatus in South Vietnam has made a pitch to two key generals who may, in fact, be caught up in internal dissension within the South Vietnamese military. The Liberation Front radio was heard recently warning the II and IV Corps commanders that they are the next targets of a government purge.

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5. North Vietnam

The propaganda treatment which Hanoi has recently been giving to the Demilitarized Zone contrasts significantly with Peking's. The Chinese are saying that the zone really no longer exists. They imply that the North Vietnamese have the right to strike south in retaliation for US aggressive acts. Hanoi, on the other hand, has been cautious and has stressed its alleged compliance with zone regulations.

The recent major North Vietnamese infiltration across the zone clearly gives reason for Hanoi's sensitivity on the subject. Today Hanoi again formally protested US acts which, it charged, have "aggravated tension" in the area of the zone.

6. Brazil

Reaction in Brazil to the bombing incidents in Recife on Monday has been one of general revulsion accompanied by some fear that Castello Branco may overreact to the provocation. Leaders of the opposition Brazilian Democratic Movement immediately denounced the terrorist acts; their main concern apparently was that a wave of terrorism might lead the government to cancel the congressional elections set for November.

A number of Communists and other extremists have been rounded up, but the government seems disinclined at this point to take more drastic action. If bomb plantings continue, however, the government's attitude could quickly change.

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7. Cuba

Castro's remarks about Latin American Communists who "preach electioneering" instead of fomenting revolution were probably the most significant part of his anniversary speech yesterday. Barbs of this kind can only suggest that Castro and the other established Communist parties of Latin America are split again over the question of revolutionary tactics.

Castro in effect may be saying that Cuba now feels itself less bound by the accords of the Havana Conference of Latin Communist parties in November 1964. At that time, Cuba agreed with Moscow's position and stopped funding extremist groups not endorsed by the regular Communist parties.

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8. Argentina

The generals who brought the Onganía government to power are beginning to worry about the progress of their revolution. These people hoped for moderation, but now they feel that the influence of the Catholic nationalists in the government is growing and promoting a kind of conservatism that is bad for the country.

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